

September 5, 1974

Board of Directors
Heber-Overight
Heber City, Utah 84032

Dear Board Members:

After a recent conversation with Lowe Ashton I feel a written Statement from Hubco explaining its relationship as lessee to the lessor, the Heber Creeper, is a necessity. I want the letter to be incorporated with the minutes of the board meeting as part of the record.

Hubco has been criticized for not running on Monday and Tuesday during August. This supposedly in violation of the contract. It was told to me that the train is the controlling factor and will let me know what I should or shouldn't do as lessee.

I want to impress on the Board that I have had every intention to live up to the clauses in my contract and that in most cases I have tried to the best of my ability. It should be noted that our agreement is a two party one with obligations on the part of the Creeper. Under the circumstances which confronted us all Summer both parties have done a pretty good job but not a perfect one. I am interested in offering the case from the point of view of Hubco. I certainly will be glad to accept for the record the case from the standpoint of the Creeper.

Both parties went into the operation with little experience and knowledge of the problems to be encountered. My original proposal would have minimized the railroad's problems, because I had planned to outfit an Annie-Mary car. The decision was made by both parties to use the diner and my money to outfit a lounge car to complete a "Night Train" concept. This placed more of a burden on the railroad and really less on Hubco.

We had a time table for completion. It was decided very early that everything should be ready by May 15. A tentative opening date of the Memorial Day weekend was the objective. We discussed the need for a two week shakedown period to eliminate any food problems from Hubco's standpoint and equipment problems from the Creeper's point of view. Hubco was ready for the diner shakedown by May 15. In fact I had my suppliers hold the delivery of material and small equipment in their warehouses because the creeper relied on the installation of the motor source for the diner on an individual who refused to show for work. No alternative plan was developed to meet this deadline; hence the diner ran one day before we opened to the public.

During June we both had our logistical problems. Besides my own I had to contend with little or no steam, which is the hot water and steam table heat source, and the concern of an overheating engine which was driving the generator. This gas engine was a problem, but very little was done to rectify the overheating. The radiator was too small, it was never shrouded, no coolant other than water

was used, talk of installing a fifty gallon supplement of water wound up as just talk. It was allowed to operate overheated. Finally the end of June it blew up. Another engine or the overhauled one was installed. It didn't work. A new engine was installed, a double radiator was put on, the water barrell was hung but not connected, and water was the only coolant. On one of the latter two installations a hole was burned in the core of a second radiator which was known and plugged. However it broke the plug, lost the water and burned up the engine. Finally we gave up and contracted for a diesel unit.

Hubco didn't operate for 26 day runs in July as a result of equipment failure by the lessor. All night runs were made with no air-conditioning or power source under the diner.

From the start the lack of steam has been a problem. The solution to this problem comes second to train operation, but in the relationship between lessor and lessee it is the lessors problem to solve permanently, not temporarily with band aids and second best parts. If the steam line is too small get a bigger one--whatever it takes is exactly what should be obtained. It seemed that sometimes the problem was solved by ignoring it until the maintenance crew could get around to it because train operation came first. As a member of the Board I understand this--as a lessee I don't. I am not talking about sustaining steam when the engine is disconnected. I'm referring to the time it should be available and when the conductor says I should have it.

Through out the deal I have threatened to obtain from the outside the solutions to these problems. I withheld my lease payments to cover this possible expense. About the time I would get ready to call in someone I would be assured the problems had been solved. At this point I have paid June and July's lease and June's maintenance.

For this weekend I have been told it is possible I will have a problem or at least I can get a promise of no promise of steam. If there is a problem this weekend it must be solved by next week.

The twenty six days of lost time in July shot my crew apart. I lost two cooks and six waitresses, because I was not able to provide them with employment. Because of this reduction I could not with the remaining number of employees operate seven days per week. I endeavored to hire more, but none were forthcoming. The repeated delays cost me employees and RECEIPTS, through no fault of Hubco.

The truly sad testimony now is that as a Board we are ready to go into a winter operation and we can't even solve the problems for a summer one.

The lease is a two way street. I have been told to operate within the same period the train does. I shall also insist that the train supply me with steam which is necessary.

I think the railroad is fortunate in having Hubco on this lease. Other lessees would have tolerated less.

The operation holds great potential, but it has to be a co-operative venture. The feed operation is the only thing which will make the Night Train go. If I can't do the best job possible because of failure of equipment which is beyond my control, then we both fail.

Based on the feed portion of the Summer operation and its problems I will have to vote no for a winter one. I will be happy to give you my points of view for what they are worth if asked.

Please understand that I have presented my side only. The railroad certainly has room for criticism too.

Sincerely yours,

Delbert E. Wallengren
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Pres. Hubco